

§ 17.156

§ 17.156 Stay of offset.

If the debtor timely notifies the Secretary that he or she is exercising a right described in § 17.152(a) and timely submits evidence in accordance with § 17.152(b), any notice to the IRS or the Department of the Treasury will be stayed until the issuance of a written decision by the Administrative Judge which determines that a debt or part of a debt is past-due and legally enforceable.

[67 FR 47435, July 18, 2002]

§ 17.157 Application of offset funds: Single debt.

If the debtor does not timely notify the Secretary that he or she is exercising a right described in § 17.152, the Secretary will notify the Department of the Treasury of the debt no earlier than 65 calendar days from the date of the Department's Notice of Intent, and will request that the amount of the debt be offset against any amount payable by the Department of the Treasury as a Federal payment. Normally, recovered funds will be applied first to costs of collection, then to any special charges provided for in HUD regulations or contracts, then to interest and finally, to the principal owed by the debtor.

[67 FR 47435, July 18, 2002]

§ 17.158 Application of offset funds: Multiple debts.

The Secretary will use the procedures set out in § 17.157 for the offset of multiple debts. However, when collecting on multiple debts the Secretary will apply the recovered amounts against the debts in the order in which the debts accrued.

§ 17.159 Application of offset funds: Federal payment is insufficient to cover amount of debt.

If an offset of a Federal payment is insufficient to satisfy a debt, the Secretary will continue the certification to the Department of the Treasury to collect further on the debt. If, in the following year, the debt has become legally unenforceable because of the lapse of the statute of limitations, the debt will be reported to the IRS as a

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cancelled debt in accordance with § 17.150(d).

[67 FR 47435, July 18, 2002]

§ 17.160 Time limitation for notifying the Department of the Treasury to request offset of Federal payments due.

(a) The Secretary may not initiate offset of Federal payments due to collect a debt for which authority to collect arises under 31 U.S.C. 3716 more than 10 years after the Secretary's right to collect the debt first accrued, unless facts material to the Secretary's right to collect the debt were not known and could not reasonably have been known by the officials of the Department who were responsible for discovering and collecting such debts.

(b) When the debt first accrued is determined according to existing law regarding the accrual of debts. (See, for example, 28 U.S.C. 2415.)

[51 FR 39750, Oct. 31, 1986, as amended at 67 FR 47436, July 18, 2002]

§ 17.161 Correspondence with the Department.

(a) All correspondence from the debtor to the Office of Appeals concerning the right to review as described in § 17.152 shall be addressed to the Office of Appeals, U.S. Department of Housing and Urban Development, SW., Room B-133, Washington, DC 20410.

(b) The request for review of Departmental records should be addressed to the Title I Representative whose address appears in the Notice of Intent of Offset. All requests for review of departmental records must be marked: Attention: Records Inspection Request.

(c) All other correspondence shall be addressed to the Department Claims Officer, Office of the Chief Financial Officer, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410.

[51 FR 39750, Oct. 31, 1986, as amended at 59 FR 59647, Nov. 18, 1994; 67 FR 47436, July 18, 2002; 72 FR 53878, Sept. 20, 2007; 74 FR 4635, Jan. 26, 2009]